



MINUTES OF THE BOARD OF SUPERVISORS
COUNTY OF LOS ANGELES, STATE OF CALIFORNIA

Sachi A. Hamai, Executive Officer-
Clerk of the Board of Supervisors
383 Kenneth Hahn Hall of Administration
Los Angeles, California 90012

At its meeting held May 22, 2007, the Board took the following action:

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The following item was called up for consideration:

The Director of Mental Health's recommendation to approve and instruct the Chairman to sign a sole-source agreement on a month-to-month basis with Mann & Associates, to provide the Department with essential professional and technical knowledge in marketing and media advertising in specialized, professional publications and newsletters for the recruitment of psychiatrists, effective upon Board approval through June 30, 2008, pending completion of a Request for Proposal process, at a total pro-rated cost of \$40,000 for Fiscal Year 2006-07 and \$150,000 for Fiscal Year 2007-08, fully funded by Sales Tax Realignment revenue; and authorize the Director to make retroactive payments in the amount of \$19,021 for professional services provided by Mann & Associates for personnel recruitment and related services.

Supervisor Molina made the following statement:

"On July 2, 2002, I authored a Board motion to eliminate retroactive payments for Board contracts. The Auditor-Controller informed me that the directives in that Board order were implemented, including a Board contract tracking system, and revised contract and purchase order language informing vendors they will not be paid for services rendered after contract expiration or termination.

"Although there has been progress in lessening the incidence of retroactive payments, today's agenda contains a request by the Department of Mental Health to approve a retroactive payment for services. I have been concerned about the number of recent requests for Board approval of retroactive payments despite clear policies and procedures for avoiding this practice. Whether mistakenly or intentionally, accountability procedures are being bypassed exposing this County to potentially large liabilities over which this Board has no input and no control other than to give its approval after-the-fact.

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“While we may never completely eliminate retroactive payments, we can do better through increased training, improved management and supervision, and use of discipline for employees who willfully or negligently disregard established County policy.”

Therefore, Supervisor Molina made a motion that the Board take the following actions:

1. Instruct the Chief Administrative Officer, Auditor-Controller and Director of Internal Services to conduct a risk assessment within 60 days that will identify those Departments vulnerable to retroactive payments, review those Departments' purchasing structures, and make recommendations to improve their payment performance;
2. Instruct the Chief Administrative Officer to work with these Departments to implement appropriate recommendations and report back to the Board within 120 days on their progress;
3. Instruct every County Department and Commission to submit to the Chief Administrative Officer within 60 days, a list of any outstanding contract or purchase order payments that will require retroactive approval by this Board;
4. Direct the Chief Administrative Officer, in collaboration with the Auditor-Controller and Director of Internal Services to review all requests for retroactive contract and purchase order payments before they are submitted for Board approval, notify Department Heads and the Board of the circumstances leading to the violation of established procedures, and recommend corrective actions along with best practices; and
5. Instruct the Chief Administrative Officer, before the close of each fiscal year and prior to the adoption of the final County budget, to provide a report to the Board of all retroactive payments approved by the Board for each Department and all pending retroactive payments for each County Department.

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After discussion, the Chairman ordered a division of the question.

On motion of Supervisor Molina, seconded by Supervisor Knabe, Supervisor Molina's aforementioned motion was unanimously carried.

The Director of Mental Health's attached recommendations were duly carried by the following vote: Ayes: Supervisors Burke, Knabe, Antonovich and Yaroslavsky; Noes: Supervisor Molina.

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Attachment

Copies distributed:

Each Supervisor

All Department/District Heads

and appropriate Commissions